

[ERC RESOLUTION NO. 07, S. 2008, April 09, 2008]

**A RESOLUTION IMPOSING A MORATORIUM ON THE FILING OF
RATE ADJUSTMENT PETITIONS/APPLICATIONS BY THE
ELECTRIC COOPERATIVES**

WHEREAS, Section 25 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) provides that the retail rates charged by Distribution Utilities (DUs) for the supply of their electricity in their captive market shall be subject to regulation by the Energy Regulatory Commission (ERC) based on the full recovery of prudent and reasonable economic costs incurred, or such other principles that will promote efficiency as may be determined by the ERC;

WHEREAS, Section 43 (f) of the EPIRA and Section 4 Rule 3 of its Implementing Rules and Regulations (IRR) empower the ERC to establish and enforce, in the public interest, a methodology for setting retail rates for the captive market of a DU. The ERC may likewise adopt alternative forms of internationally-accepted rate-setting methodology as it may deem appropriate;

WHEREAS, the ERC is in the process of formulating a new rate-setting methodology for Electric Cooperatives (ECs) which is envisaged to be implemented by January 2009;

WHEREAS, to prevent duplication of efforts, better manage time and resources and smooth implementation of the said methodology, it becomes necessary to defer the acceptance of rate adjustment petitions/applications from ECs;

NOW THEREFORE, the Commission, after thorough and due deliberation, RESOLVED, . hereby RESOLVES to APPROVE the moratorium on the filing of rate adjustment petitions/applications by the ECs in anticipation of the implementation of the new rate-setting methodology.

This Resolution shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR) and all ECs.

Adopted: 09 Apr. 2008

(SGD.) RODOLFO B. ALBANO, JR.
Chairman

(SGD.) RAUF A. TAN

(SGD.) ALEJANDRO Z. BARIN